



Content reviewed by  
ACCA's examining team



**BPP**  
LEARNING  
MEDIA

# ACCA

## Approved Workbook

### Financial Reporting (FR)

For exams in September 2020,  
December 2020, March 2021  
and June 2021

Free access to eBook & additional digital content



## How do I access my free eBook?

To access your eBook digital version of the BPP Workbook, follow the instructions on the Exam Success Site below. Once you've logged on the first time, you can read the eBook on your computer, and then use the BPP eBooks app on your smartphone or tablet.

BPP eBooks offer an intuitive interface, enabling you to highlight and comment on the content. You can download and read your eBook offline and sync it across your devices.

The eBook digital version of the BPP Workbook for Financial Reporting contains the following additional content:

- Essential reading
- Further question practice and solutions
- Glossary of key terms

To access your free eBook, please go to:

**study.bpp.com**

- **Register** (first time only) and reply to the confirmation email.
- **Log in** using your registered username and password.
- **Click on the ACTIVATE A PRODUCT** button. Select Exam Success Site, then select the title you wish to access.
- **Enter the code** below when prompted. You will only have to do this once for each exam you are studying.

Z3ZZ84896YA4246

## How do I access the additional digital content?

To maximise your chances of succeeding in your exams, we've put together a suite of exclusive ACCA resources. Our Exam Success Site provides you with an exam debrief, past exam, examining team commentary as well as extra resources designed to focus your efforts on exams and study methods. To access the Exam Success Site, please follow the instructions above.

## ACCA Approved Content Provider

As the first accredited publisher of ACCA materials, BPP Learning Media has set the benchmark for producing exceptional study materials for students and tutors alike. This Workbook has been reviewed by the ACCA examining team and has been written by our in-house authors with industry and teaching experience who understand what is required for exam success.

# Applied Skills

## Financial Reporting (FR)





First edition 2020

ISBN 9781 5097 8488 2

(Internal ISBN 9781 5097 8248 2)

eISBN 9781 5097 2925 8

### British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

### Published by

BPP Learning Media Ltd BPP House, Aldine Place 142-144 Uxbridge Road London W12 8AA

[www.bpp.com/learningmedia](http://www.bpp.com/learningmedia)

Printed in the United Kingdom

Your learning materials, published by BPP Learning Media Ltd, are printed on paper obtained from traceable sustainable sources.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of BPP Learning Media. The contents of this course material are intended as a guide and not professional advice. Although every effort has been made to ensure that the contents of this course material are correct at the time of going to press, BPP Learning Media makes no warranty that the information in this course material is accurate or complete and accept no liability for any loss or damage suffered by any person acting or refraining from acting as a result of the material in this course material.

We are grateful to the Association of Chartered Certified Accountants for permission to reproduce past examination questions and extracts from the syllabus. The suggested solutions in the practice answer bank have been prepared by BPP Learning Media Ltd, except where otherwise stated.

BPP Learning Media is grateful to the IASB for permission to reproduce extracts from the International Financial Reporting Standards including all International Accounting Standards, SIC and IFRIC Interpretations (the Standards). The Standards together with their accompanying documents are issued by:

The International Accounting Standards Board (IASB)  
30 Cannon Street, London, EC4M 6XH, United Kingdom.

Email: [info@ifrs.org](mailto:info@ifrs.org) Web: [www.ifrs.org](http://www.ifrs.org)

**Disclaimer:** The IASB, the International Financial Reporting Standards (IFRS) Foundation, the authors and the publishers do not accept responsibility for any loss caused by acting or refraining from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise to the maximum extent permitted by law.

©BPP Learning Media Ltd 2020

### A note about copyright

Dear Customer

What does the little © mean and why does it matter?

Your market-leading BPP books, course materials and e-learning materials do not write and update themselves. People write them on their own behalf or as employees of an organisation that invests in this activity. Copyright law protects their livelihoods. It does so by creating rights over the use of the content.

Breach of copyright is a form of theft – as well as being a criminal offence in some jurisdictions, it is potentially a serious breach of professional ethics.

With current technology, things might seem a bit hazy but, basically, without the express permission of BPP Learning Media:

- Photocopying our materials is a breach of copyright.
- Scanning, ripcasting or conversion of our digital materials into different file formats, uploading them to Facebook or e-mailing them to your friends is a breach of copyright.

You can, of course, sell your books, in the form in which you have bought them – once you have finished with them. (Is this fair to your fellow students? We update for a reason.) Please note the e-products are sold on a single user licence basis: we do not supply 'unlock' codes to people who have bought them secondhand.

And what about outside the UK? BPP Learning Media strives to make our materials available at prices students can afford by local printing arrangements, pricing policies and partnerships which are clearly listed on our website. A tiny minority ignore this and indulge in criminal activity by illegally photocopying our material or supporting organisations that do. If they act illegally and unethically in one area, can you really trust them?

### Copyright © IFRS Foundation

All rights reserved. Reproduction and use rights are strictly limited. No part of this publication may be translated, reprinted or reproduced or utilised in any form either in whole or in part or by any electronic, mechanical or other means, now known or hereafter invented, including photocopying and recording, or in any information storage and retrieval system, without prior permission in writing from the IFRS Foundation. Contact the IFRS Foundation for further details.

The IFRS Foundation logo, the IASB logo, the IFRS for SMEs logo, the "Hexagon Device", "IFRS Foundation", "eIFRS", "IAS", "IASB", "IFRS for SMEs", "IASS", "IFRS", "IFRSs", "International Accounting Standards" and "International Financial Reporting Standards", "IFRIC", "SIC" and "IFRS Taxonomy" are Trade Marks of the IFRS Foundation.

Further details of the Trade Marks including details of countries where the Trade Marks are registered or applied for are available from the Licensor on request.



# Contents

## Introduction

Helping you to pass	v
Chapter features	vi
Introduction to the Essential reading	vii
Introduction to Financial Reporting (FR)	ix
The Exam	xii
Essential skills areas to be successful in Financial Reporting	xiii
<hr/>	
1 The Conceptual Framework	1
2 The regulatory framework	29
3 Tangible non-current assets	45
4 Intangible assets	71
5 Impairment of assets	91
Skills checkpoint 1	107
6 Revenue and Government Grants	117
Skills checkpoint 2	143
7 Introduction to groups	153
8 The consolidated statement of financial position	177
9 The consolidated statement of profit or loss and other comprehensive income	219
10 Accounting for associates	243
Skills checkpoint 3	267
11 Financial instruments	277
12 Leases	299
Skills checkpoint 4	323
13 Provisions and events after the reporting period	329
14 Inventories and biological assets	355
15 Taxation	369
16 Presentation of published financial statements	393
17 Reporting financial performance	421
Skills checkpoint 5	443
18 Earnings per share	455
19 Interpretation of financial statements	477
20 Limitations of financial statements and interpretation techniques	511
21 Statement of cash flows	525
22 Specialised, not-for-profit and public sector entities	547

---

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	------



**Make progress.**

**In the direction of a better career.**

BPP Learning Media supports your development with a full range of innovative learning solutions. Our flexible options are geared to put you at the heart of the learning experience. Regardless of the path you decide to take.

And because our learning resources are designed around your lifestyle, it's more effective. To deliver a better chance of progress. To ensure the best chance of success.

Discover how we can support your career

**[learningmedia.bpp.com](https://learningmedia.bpp.com)**

**BPP Customer Services**

**Tel:** +44 (0)3300 603 100

**Email:** [learningmedia@bpp.com](mailto:learningmedia@bpp.com) • **Website:** <https://learningmedia.bpp.com>

# ACCA Approved Workbook

BPP Learning Media supports aspiring business professionals with top-quality learning materials, designed to fit seamlessly around the demands of full-time work and everyday life.

Our experts lead the way. We make sure that the professionals we teach have more in their locker. They have more than the brilliant knowledge to get them over the finish line. Our study materials are written by professionally qualified specialists. They know exactly why choosing the right materials makes a difference. It goes beyond the exams. It underpins the knowledge that builds exceptional careers.

## Financial Reporting (FR)

### What does my Workbook offer?

- Comprehensively reviewed by the ACCA examining team
- Guarantees appropriate breadth and depth of content
- Packed with exercises, activities and illustrations
- Skills Checkpoints designed to get you exam-ready
  - Step-by-step walk-through exam-style questions
  - Every essential exam skill covered
  - Suggested solutions demonstrating how to apply skills
  - Diagnostic tool to identify areas of improvement

### What do I get in my free eBook?

- Essential reading to underpin your understanding
- Further question practice and answers
- Glossary of key terms

See inside front cover for access details.

### What else do I need?

We recommend using the BPP Practice & Revision Kit – your vital companion to this Workbook.

- Reviewed by the ACCA examining team
- Mock, specimen and real past exams with model answers
- Extensive bank of practice questions
- Marking guides with top tips
- Covers the whole syllabus

### Contact us

BPP House  
142-144 Uxbridge Road  
London W12 8AA  
United Kingdom  
T +44 (0)3300 603 100  
E [Learningmedia@bpp.com](mailto:Learningmedia@bpp.com)  
[learningmedia.bpp.com](http://learningmedia.bpp.com)

February 2020

ISBN 978-1-5097-8488-2



9 781509 784882



BPP Learning Media is an  
ACCA approved content provider



**BPP**  
LEARNING  
MEDIA

TRƯỜNG ĐẠI HỌC CÔNG NGHỆ  
TRUNG TÂM THÔNG TIN T



Mã sách: 070703468